United Nations S/2014/344

Security Council

Distr.: General
15 May 2014

Original: English

Letter dated 15 May 2014 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

I am pleased to provide my report as the President of the Governing Council of the United Nations Compensation Commission on the results of the Governing Council's seventy-seventh session, which was held in Geneva on 29 and 30 April 2014. The full text of the conclusions adopted by the Governing Council and additional documentation are attached.* I would however like to highlight a few of the issues discussed during the session.

During the opening plenary meeting, Jordan was elected as one of the Vice-Presidents of the Governing Council, to replace Morocco, which held the vice-presidency for the period 2012-2013. It is recalled that the Republic of Korea holds the other vice-presidency. Delegations from the Governments of Iraq and Kuwait addressed the Council.

With regard to the Follow-up Programme for Environmental Awards, which was concluded at the last session, the Council noted that more than $1 billion in withheld funds and accrued interest had been released to the four participating Governments under the Programme.

With regard to the issue of the arrangements for ensuring deposits are made into the Compensation Fund, the Council noted its continued satisfaction with the transfer of 5 per cent of Iraq's oil revenues and the equivalent of 5 per cent of the value of non-monetary payments to the Compensation Fund and further noted Iraq's commitment to complying with relevant Security Council resolutions.

The Council noted that since the last session, in November 2013, two payments had been made, in January and April 2014, to the State of Kuwait, totalling approximately $2.02 billion, leaving $6.9 billion remaining to be paid to the remaining claim that was submitted by the Government of Kuwait on behalf of the Kuwait Petroleum Corporation. Based on current levels of income to the Fund and recent projections, the outstanding balance is now likely to be paid in full towards the end of 2015. The next quarterly payment under Governing Council decision 267 (2009) is scheduled to be made on 24 July 2014.

* Not included in the present document.

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The Council also heard an update from the Secretariat on ongoing audit activities in relation to the Compensation Commission being undertaken by both the Board of Auditors and the Office of Internal Oversight Services.

The Council had a lengthy discussion regarding Iraq's request, made at the opening plenary meeting, for a copy of the archives of the Compensation Commission and noted that the request had been ongoing for many years. The Council recalled its previous conclusions regarding the request and relevant Governing Council decisions in which the Council determined that the identity of individual claimants is to remain confidential.

Furthermore, and in accordance with the approved records policy of the Compensation Commission, the Council recalled that the majority of claim files had been disposed of, as seven years had passed since payment of the awards. With regard to corporate and government claims, the Council recalled that the Secretariat has provided detailed award information in both electronic and hard copy format in respect of those claims to Iraq on numerous occasions, most recently in late 2013. The Council also noted that the Secretariat would be compiling copies of all panel reports, Governing Council decisions and Security Council resolutions for Iraq's archives.

In its conclusion, the Council requested that the President of the Governing Council write to the Minister for Foreign Affairs of Iraq, reiterating the above and indicating that while unfettered access to the claims records of the Compensation Commission is not possible given the policies of the United Nations and of the Governing Council relating to disposition, access and confidentiality, the Secretariat remains available to assist Iraq with regard to specific queries in relation to claimants before the Iraqi courts who may have received compensation for similar losses from the Commission, bearing in mind the limited information that remains available and the confidential nature of some of that information.

With the Compensation Commission nearing the conclusion of its mandate, the Governing Council also considered issues to be addressed in order to ensure the orderly wind-down of the Commission, which will be a standing item on the Council's agenda for future sessions. In this regard, the Council noted that at the request of the Secretariat, the Office of Internal Oversight Services has conducted an audit on liquidation preparedness of the Compensation Commission and that the matter would be considered by the Council in greater detail at an informal meeting in May 2014.

The next session of the Governing Council will be held on 2 and 3 October 2014.

(*Signed*) Ruth **Stone**
President of the Governing Council